



Report to the Auburn City Council

Action Item

16

Agenda Item No.

City Manager's Approval

To: Mayor and City Council
From: Robert Richardson, City Manager
Date: April 23, 2012
Subject: Review of Old Town Business Association Draft Annual Report and New Fee Assessment

The Issue

Shall the City Council:

1. Appoint the City Manager as the advisory board for both the Old Town and Downtown Business Improvement Districts.
2. Consider the Draft Annual BID Report submitted by the Old Town Business Association.
3. Set the date for the Annual Business Improvement Districts Report Review and Resolution of Intention for Assessment for May 14, 2012; and set a Public Hearing date for June 11, 2012 to review the proposed fees for the Business Improvement Districts.

Conclusion and Recommendation

Staff recommends that the City Council by RESOLUTION:

1. Appoint the City Manager as the advisory board for both the Old Town and Downtown Business Improvement Districts.
2. Hear and consider the Draft Annual BID Report submitted by the Old Town Business District and provide direction.
3. Set the date for the Annual Business Improvement Districts Report Review and Resolution of Intention for Assessment for May 14, 2012; additionally, set a Public Hearing for June 11, 2012 to review the proposed fees for the Business Improvement Districts.

Background

State Law enables the establishment for Parking and Business Improvement Areas. The assessments for the Business Improvement Areas are for the sole benefit of the businesses within the areas. The assessment funds will be spent on items contained in the budgets submitted by the Old Town Business Improvement District and approved annually by the council.

On March 12, 2012 the City Council heard from several business owners in the Old Town Business Improvement District about their concerns on the rate structure and direction of the OTBA. Members of the Board also provided input at the meeting. During the discussion individual Councilmember's discussed changes they would like to see in the OTBA. At the end of the item Council approved the following motion:

Council Member Nesbitt moved that at the first meeting in May, the City Attorney will report on the legality of the termination or the opt-out clause, there will be discussion/action regarding a reduction in fees and broader representation of diversified businesses across the OTBA board.

MOTION: Nesbitt/ Kirby/ Approved 5:0

The City Attorney has reported to the City Council under separate cover on the issues directed. Additionally, staff has brought this item back at a sooner date in order to provide the time necessary for Council to issue any new directions and still be ready to send out OTBA billings by July 1st with the issuance of new business licenses.

The City Council may approve the draft report as filed, or may modify any item contained in the report. Staff will then work with both Business Improvement Districts to bring forward finalized 2012/13 budgets for Council consideration on May 14th. A public hearing will then be set for June 11th, to hear all interested persons for or against the Business Improvement Areas reports and proposed assessment fees. Notice of a public hearing shall be given at least ten days before the public hearing.

Alternatives

- Approve the OTBA Annual Report as provided and Issue Resolution of Intention for Assessment for FY 2012-13.
- Direct staff to initiate procedures for the disestablishment of the OTBA.

Fiscal Impact

On April 19, 2012 the OTBA Board voted to recommend to the City Council a reduced fee structure for all their membership. This new structure has been accounted for in their new financial forecasts.

Current Fee Structure as of 2009

Personal Services Business	\$125 per year
Professional/Services (1 Owner/principal)	\$300
Professional/Services (other)	\$600
Retail (Annual Sales Under \$100,000)	\$300
Retail (Annual Sales \$100,000 - \$200,000)	\$3 per \$1,000 in Sales
Retail (annual sales \$201,000 - \$999,999)	\$600
Retail (annual sales greater than \$1 million)	\$800

Proposed Fee Structure

Three categories of assessments

1. RETAIL
2. PERSONAL SERVICE – Includes, but not limited to, all licensed hair stylists, cosmetologists, massage therapists and manicurists who operate as independent contractors within a salon.
3. PROFESSIONAL SERVICE – with one or more owners or principles of a company.

Retail Assessment is \$2.00 per \$1,000.00 of sales with no minimum of sales under \$100,000.

Personal Services	\$25
Professional Services	\$250
Retail annual sales \$100,000 to \$200,000	\$300
Retail annual sales \$200,000 to \$500,000	\$400
Retail annual sales \$500,000 to \$1,000,000	\$500
Retail annual sales \$1,000,000 to \$1,500,000	\$600
Retail annual sales over \$1,500,000	\$700

Attachments

OTBA FY 2012-13 Annual Report

Proposed new Fee Structure



June 1, 2011

To: Bob Richardson, City Manager – Auburn
From: Old Town Business Association (OTBA)
RE: Business Improvement District (BID)

1. **Introduction:** This annual report by the Old Town Business Association Improvement District (BID) for the coming fiscal year is provided to the City of Auburn for consideration and approval. Included in this report is a work plan and a proposed budget. Funds generated by the Old Town BID are administered by the OTBA for the sole purpose of enhancing the physical and economic well-being of the Old Town district with the approval of the Auburn City Council.
2. **BID District:** The Old Town BID begins at and includes the Hill property at the end of Park Street, and continues down Park Street to Maple Street and up to Auburn Folsom Road. The boundary continues on Auburn Folsom Road to Race Track Street, turns right on Race Track to Brewery Lane, turns right on Brewery Lane, and, continues down Brewery Lane to its end, where the boundary line then extends across and encompasses the Hill property at the end of Park Street.
3. **PROPOSED PROGRAM of Work for the OTBA:** The OTBA continues to add new ideas to improve our area, all of which are important to attract visitors and continue to maintain the vitality from which business owners can thrive. We continue to renovate the Old Town Post Office, upgrade our PA system, and, we have implemented a banner program. We will be adding additional patriotic buntings, have updated our Walking Tour Maps, and, have proposed better use of the old Tin Building with ideas to paint the building and to bring a “gold rush” type of interactive activity for our visitors. The OTBA continues to use advertising dollars to reach further west of Placer County with the idea of attracting a desired demographic. We continue to subsidize the Post Office rent and we continue to attract interested business owners to participate in the stated plans through implementation of our district “goal list”, and, have thereby increased the participation of our membership.
4. **STREET SCAPE:** The OTBA has recently gone through the process and hired a licensed Landscape Contractor (Independent Contractor) who does seasonal plantings and maintains (93 planters) and replaces all receptacles pertinent to healthy growth and a historic esthetic and attractive curb appeal. We have also proposed a flower basket program to colorfully enhance sections of our district that can become a focal point viewed mainly from the freeway.

OTBA continued

5. **PUBLIC EVENTS:** The OTBA continues to sponsor and promote retail events and festivals with special attention to our annual two Antiques and Collectibles Street Fairs, Cinco de Mayo, 4th of July celebration, Auburn Movie Nights, Art Walks, the Auburn Wine and Food Festival, A Taste of Chocolate and finally our two Country Christmas events. We are continually looking at other events to draw visitors into our district and have recently sponsored "Old Cars In Old Town" which is proposed for twice a year.

Attached heretofore you will find the OTBA proposed budget for fiscal year 2011-2012 and a working budget for same.

It is the intent and goal of the OTBA to continually work with the City of Auburn and our community to maintain and preserve the historic integrity and old fashioned ambiance that draws the curiosity senses of our visitors and to invite them to have the best experience that our community and the Old Town district has to offer and with the BID, allows us to maintain a vibrant business district.

4/19/2012

EXHIBIT A

OLD TOWN BUSINESS IMPROVEMENT DISTRICT

BASIS OF ASSESSMENT

Old Town BID:

Three categories of assessments

1. RETAIL
2. PERSONAL SERVICE – Includes, but not limited to, all licensed hair stylists, cosmetologists, massage therapists and manicurists who operate as independent contractors within a salon.
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Retail annual sales \$1,000,000.00 to \$1,500,000.00	\$600.00
Retail annual sales over \$1,500,000	700.00

4/18/2021

4. Proposed OTBA Budget, Fiscal Year 2012/2013

4.1 Income

Antiques & Collectables Street Fairs	\$ 19840.00
Historic District BID, 2011 – 2012	\$ 29990.46
Miscellaneous Events, Donations	\$ 2100.00

Total Income	\$ 51930.00
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* for this current year as of April 19, 2012 we had a balance of \$29486.87

Projects currently on the books;

OTBA Website	\$ 3600.00
Streetscape Additions	\$ 3000.00
Business Directory	\$ 500.00
Current Obligations	\$ 4655.00
Donation to OTAPS	\$ 1700.00
Reserve	\$ 3000.00

4.2 Expenses

Post Office Repairs	\$ 600.00
Building Light Repairs	\$ 500.00
Street Fairs	\$ 10980.00
Streetscape Maintenance	\$ 8700.00
Post Office Rental	\$ 3797.00
Insurance	\$ 1800.00
Old Town Advertising	\$ 7000.00
Administration Expense	\$ 2060.00

Total Expenses	\$51892.00
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